

1999 SENATE APPROPRIATIONS
SB 2007

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2007

Senate Appropriations Committee

Conference Committee

Hearing Date 1/18/99; Rehearing 2/9/99

Tape Number	Side A	Side B	Meter #
1		x	638-2434
2/9/99 1	x		4000-4115
Committee Clerk Signature <i>Georgia Anderson</i>			

Minutes:

SENATOR NETHING: Opened the hearing on SB 2007

MARK BACHMEIER: Department of Labor, Interim Commissioner to testify in support of SB 2007 (testimony attached) (tape 1, side B 700-1960).

SENATOR ANDRIST: We keep spending money on technology, yet we don't see any benefit in reduced operating costs. We ought to be spending more money on placing information on the web rather than paying all that money on mailing.

MARK BACHMEIER: We do have a current web site currently being maintained by a company from Minot. We're looking at putting it on the state web site at no cost to us, and maintaining it ourselves. Our goal is to make more things downloadable.

SENATOR SOLBERG: On the yellow sheet, what is the difference in general funds. Mark, you're talking a \$10,000 increase in the general fund, and we're talking \$45,000 on our yellow sheet.

PAUL KRAMER: (LC) The yellow sheet ties in with the budget book. I notice on the sheet he handed out, the salaries and wages line \$595,000 in the budget book is at \$634,000. I'm not sure what number he is using compared to the budget book.

MARK BACHMEIER: I think the difference is that the budget book includes the compensation package, and my figures do not. This is excluding the benefit package.

SENATOR SOLBERG: Are you still at full strength with a staff of seven?

MARK BACHMEIER: Currently we have a vacancy, technically the commissioner's position is vacant. We're operating with 5.75. We will have a turn-back at the end of the biennium in salaries. I don't know the exact figure.

SENATOR NETHING: Closed the hearing on SB 2007.

2/9/99

Tape 4000-4115

SENATOR NETHING: Reopened the hearing on SB 2007

ALLEN KNUDSON: (LC) Reviewed the amendments to SB 2007.

SENATOR HOLMBERG: Moved do pass amendments to SB 2007

SENATOR TALLACKSON: Seconded the motion.

ROLL CALL: Unanimous voice vote

MOTION CARRIED TO DO PASS AMENDMENTS TO SB 2007

SENATOR HOLMBERG: Moved do pass SB 2007 as amended

SENATOR ROBINSON: Seconded the motion

ROLL CALL: 14 ayes; 0 nays; 0 absent

CARRIER: SENATOR GRINDBERG

SENATOR NETHING: Closed the hearing on SB 2007

Date: 2-9-99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2007

Senate APPROPRIATIONS Committee

- Subcommittee on _____
or
 Conference Committee

✓ Legislative Council Amendment Number 98029.0101

Action Taken DO PASS AMENDMENT

Motion Made By SENATOR HOLMBERG Seconded SENATOR TALLACKSON

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) UNANIMOUS No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-9-99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB2007

Senate APPROPRIATIONS Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By SENATOR HOLMBERG Seconded By SENATOR ROBINSON

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent _____

Floor Assignment SENATOR GRINDBERG

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2007: Appropriations Committee (Sen. Nething, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 9, replace "634,240" with "621,658"

Page 1, line 12, replace "754,709" with "742,127"

Page 1, line 13, replace "83,011" with "82,249"

Page 1, line 14, replace "671,698" with "659,878"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 406 - LABOR COMMISSIONER

SENATE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$634,240	(\$12,582)	\$621,658
Operating expenses	110,219		110,219
Equipment	<u>10,250</u>		<u>10,250</u>
Total all funds	\$754,709	(\$12,582)	\$742,127
Less special funds	<u>83,011</u>	<u>(762)</u>	<u>82,249</u>
General fund	\$671,698	(\$11,820)	\$659,878
FTE	7.00	0.00	7.00

Detail of Senate changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	DELAY MARKET SALARY ADJUSTMENT TO JANUARY 1, 2001	TOTAL SENATE CHANGES
Salaries and wages	(\$8,389)	\$1,995	(\$6,188)	(\$12,582)
Operating expenses				
Equipment				
Total all funds	(\$8,389)	\$1,995	(\$6,188)	(\$12,582)
Less special funds	<u>(1,047)</u>	<u>285</u>		<u>(\$11,820)</u>
General fund	(\$7,342)	\$1,710	(\$6,188)	(762)
FTE	0.00	0.00	0.00	0.00

Senate changes narrative:

In addition to the two percent annual salary increases, funding is included to provide the commissioner with a market equity salary increase of \$283.00 per month for the final six months of the biennium.

1999 HOUSE APPROPRIATIONS

SB 2007

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2007

House Appropriations Government Operations Committee

Conference Committee

Hearing Date March 2, 1999

Tape Number	Side A	Side B	Meter #
1		x	15.8-34.4
Committee Clerk Signature <i>Roxanne Hone</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of the office of the labor commissioner.

1B: 15.8 Mark Bachmeier, Interim Commissioner Department of Labor testified in favor of the bill (See attached written testimony).

- \$10,509 increase in general funds excluding compensation package
- one FTE is currently funded at 75%, would like to fund position 100%
- discussion on technology plan, decided to use desktop PCs instead of lab tops that were proposed, save dollars

Chairman Byerly closed the hearing on Senate Bill 2007. There was no opposition to the bill.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 5, 1999			
Tape Number	Side A	B Side	Meter #
1	x		6.7-9.3
Committee Clerk Signature	<i>Roxanne Kone</i>		

Minutes:

Chairman Byerly opened the discussion on Senate Bill 2007.

Chairman Byerly commented on taking out \$2,000 on equipment line item. Rep. Poolman felt it was too small of an item to draw up amendments and take time to have a conference committee over \$2,000. Rep. Carlisle noted they had asked for the money last time and didn't get it. Rep. Huether recalled in the testimony the equipment was not adequate.

Rep. Gulleson made a motion for a DO PASS. Rep. Poolman 2nd the motion. On a Roll Call Vote the motion carried.

5 voting Yes

0 voting No

1 voting Absent

Rep. Gulleson will carry the bill to the full committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 16, 1999			
Tape Number	Side A	B Side	Meter #
1		x	16.1-20.7
Committee Clerk Signature		<i>Roxanne Kone</i>	

Minutes:

Chairman Dalrymple opened the discussion on Senate Bill 2007.

1B: 16.1 Rep. Gulleeson briefly explained the bill. No changes in subcommittee. Small agency with only 7 employees. Moved for a DO PASS. Rep. Byerly 2nd the motion.

1B: 17.2 Rep. Byerly commented that the labor commissioner will be taking on extra workload due to increase in responsibilities regarding discrimination housing.

On a Roll Call Vote the motion carried.

18 voting Yes

0 voting No

2 voting Absent

Carrier: Rep. Gulleeson

Date: 3/5/99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2007

House APPROPRIATIONS Committee

- Subcommittee on Government Operations
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Gulleson Seconded By Poolman

Representatives	Yes	No	Representatives	Yes	No
Rex R. Byerly	✓				
Ron Carlisle	✓				
Ben Tollefson					
Robert Huether	✓				
Pam Gulleson	✓				
Jim Poolman	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Rep. Gulleson

If the vote is on an amendment, briefly indicate intent:

Date: 3.16.99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2007

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Gulleason Seconded By Byerly

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	✓		Nichols	✓	
Vice-Chairman Byerly	✓		Poolman	✓	
Aarsvold			Svedjan	✓	
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson		
Carlson	✓		Wentz	✓	
Carlisle	✓				
Delzer	✓				
Gulleason	✓				
Hoffner	✓				
Huether	✓				
Kerzman	✓				
Lloyd	✓				
Monson	✓				

Total (Yes) 18 No 0

Absent 2

Floor Assignment Rep. Gulleason

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 16, 1999 10:54 a.m.

Module No: HR-47-4865
Carrier: Gulleson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2007, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **DO PASS** (18 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2007 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2007

State of North Dakota



State Capitol
600 East Boulevard - 6th Floor
Bismarck, North Dakota 58505

North Dakota Department of Labor

Testimony on SB 2007 Prepared for the House Appropriations Committee

March 2, 1999

Chairman Byerly and members of the Committee, good afternoon. For the record, my name is Mark Bachmeier and I am the Interim Commissioner at the Department of Labor.

1998 was a year of considerable change at the Department of Labor. In August, Commissioner Hagen resigned after nearly eight years of elected public service. He was preceded in his departure by his Deputy Commissioner of seven years, Ron Ness, who left the Department of Labor in June. Their legacy is, I believe, an agency that is efficient, objective and fair in dealing with North Dakota employers and employees, and proactive in reducing violations of labor and equal employment opportunity law.

Including the Commissioner, the Department of Labor has seven authorized FTE, one of which is currently funded at 75%, and administers five program areas in addition to the general administration of the agency. All staff are trained in all program areas sufficiently to provide general assistance to the public. We received nearly 22,000 such inquiries and requests for services during 1998. In the vast majority of these instances, the staff person who answered the call or greeted the person entering the department was able to provide the necessary assistance.

When Commissioner Hagen took office, he implemented an effort to educate the public on labor law on the assumption that if employers know their obligations and responsibilities under the law, they will tend to comply with the law. This effort included the creation and distribution of informational brochures; the development and distribution of a wage and hour poster that contains plainly written explanations of labor law provisions; and an effort to inform the public directly through presentations and seminars. During 1998, we mailed over 900 informational packets to citizens, not counting those we distributed at presentations, conferences, and through our web site. We conducted 54 presentations on labor and equal employment law to employer groups throughout the state. The total attendance at these presentations was 1,903 or an average of 35 per presentation.

This public education effort has paid clear dividends. In 1998, the department received a record low 234 claims for unpaid wages. The year Commissioner Hagen took office, 1990, there were 698 such claims. Our Wage and Hour Division closed a total of 244

claims during 1998 and collected more than \$54,000 in unpaid wages for employees through formal claims, informal audits, and compliance reviews.

Our other major division, Equal Employment Opportunity, opened 107 charges of employment discrimination during 1998. The division completed investigations and closed 85 charges and negotiated settlements totaling \$39,515.

Other 1998 activities of the department include:

- Filing 1,680 Employment & Age Certificates (work permits) for 14 and 15 year olds who became employed.
- Licensing and conducting on-site reviews of 18 employment agencies in the state.
- Verifying the independent contractor status of 26 contractors.
- Conducting 7 employer compliance reviews.
- Conducting 51 on-site investigations.
- Reviewing 19 employer policy manuals.

As well as I believe the Department of Labor operates currently, I think we need to prioritize work to improve three areas during the 1999-2001 biennium. First, we are technologically behind where we should be. We need to replace several antiquated personal computers, purchase a server for our network, and upgrade some of our software packages. We need to improve the record keeping systems for our programs and activities and generate statistical data more regularly. We have electronic database programs for record keeping and automating some processes related to wage claims and charges of employment discrimination but they need improvement and virtually all other records for the agency are maintained in either hard copy or crude electronic files. In addition, our web site, which I believe has great potential for aiding our efforts to provide information to the public, needs updating and improvement.

Secondly, we need to assess our reported law violations and public education efforts geographically. We conduct presentations anywhere in the state upon request. However, the distribution of presentations does not necessarily correspond to the distribution of reported violations. We may need to actively seek more opportunities to speak in specific locations in the state.

Finally, the independent contractor verification process needs review. The present system is underutilized, the criteria for verification are somewhat ambiguous, and the process involves little collaboration among the affected agencies.

The Executive Budget Recommendation for the Department of Labor contained a proposed general fund increase of \$10,509 or 1.7% over our current appropriation, excluding the compensation package. This increase remains intact in the current engrossed version since the only cuts made by the Senate were to the compensation package. A detailed breakdown of our current and recommended appropriations is attached to this testimony. You will note that the overall increase is a net effect of proposed increases and cuts in many areas. The increase in salaries is to fully fund our clerical position. Currently, our secretary works only four days per week, leaving us to cover the duties of that position with other staff twenty percent of the time. The proposed net increase of \$9,019 in operating expenses is related in large part to the implementation of our technology plan and costs associated with an anticipated update to our current wage and hour poster. The proposed increase of \$3,250 in equipment is to implement our technology plan.

Thank you for your time. I would be pleased to answer any questions you may have.

**North Dakota Department of Labor
1999-2001 Biennium Recommended Budget**

Line Item		1997-99 Biennium	Executive Recommendation, 1999-01 Biennium		
				Change	% Change
10 - Salaries and Wages	Salaries	\$592,761	\$595,075	\$2,314	0.4%
	Total Salaries	\$592,761	\$595,075	\$2,314	0.4%
30 - Operating Expenses	Data Processing	\$7,000	\$10,000	\$3,000	42.9%
	Telecommunications - ISD	\$18,000	\$19,500	\$1,500	8.3%
	Travel	\$20,000	\$25,000	\$5,000	25.0%
	Postage	\$12,500	\$16,500	\$4,000	32.0%
	Utilities	\$0	\$100	\$100	-----
	Lease/Rent - Equipment	\$12,000	\$6,000	(\$6,000)	-50.0%
	Lease/Rent - Bldg./Land	\$5,500	\$5,644	\$144	2.6%
	Dues and Professional Development	\$5,000	\$6,000	\$1,000	20.0%
	Operating Fees and Services	\$3,000	\$3,450	\$450	15.0%
	Repairs	\$500	\$400	(\$100)	-20.0%
	Professional Services	\$5,000	\$2,500	(\$2,500)	-50.0%
	Insurance	\$200	\$175	(\$25)	-12.5%
	Office Supplies	\$8,000	\$9,500	\$1,500	18.8%
	Printing	\$3,000	\$3,500	\$500	16.7%
	Professional Supplies and Materials	\$750	\$1,200	\$450	60.0%
	Misc. Supplies (Equipment < \$750)	\$750	\$750	\$0	0.0%
	Total Operating Expenses	\$101,200	\$110,219	\$9,019	8.9%
40 - Equipment	Equipment	\$7,000	\$10,250	\$3,250	46.4%
	Total Equipment	\$7,000	\$10,250	\$3,250	46.4%
Total Expenditures		\$700,961	\$715,544	\$14,583	2.1%
Source of Funds	General Funds	\$626,035	\$636,544	\$10,509	1.7%
	Federal Funds	\$74,926	\$79,000	\$4,074	5.4%
	Other Funds	\$0	\$0	\$0	-----